



HOUSE BUDGET COMMITTEE

DEMOCRATIC CAUCUS

U.S. Rep. John M. Spratt, Jr., Ranking Democratic Member

News Release

Spratt Slams Proposal to Delay Payments to Military Families

WASHINGTON — U.S. Rep. John Spratt (D-SC), the Ranking Member on the House Budget Committee, today sharply criticized the House Republican leadership for considering legislation to delay payment of the Earned Income Tax Credit (EITC) for military families.

“Just two weeks ago, the House overwhelmingly approved a well-earned pay raise for our troops,” said Spratt. “Now, the House may pass a tax rule that will postpone income for up to 125,000 military families as soon as April. This is a bad idea, and the sooner it’s dropped, the better.”

Spratt said Republicans on the House Appropriations Committee, at the direction of the House Republican leadership, are considering legislation to delay payment of the EITC to qualifying recipients. While specifics are unknown, reports describe the proposal as disbursing the EITC payment in 12 monthly installments instead of one lump sum. “This is a gimmick,” said Spratt, “to shift payments due in the coming fiscal year to the following fiscal year, and avoid part of the cost in next year’s budget.”

Spratt said he called the Pentagon when he learned of the proposal because he knew military families would be affected. “The Department of Defense estimates that approximately 125,000 military households are eligible for EITC. Since the active military force is about 1.4 million men and women, almost 10 percent of military households could be affected by this proposal. Those affected are primarily junior enlisted personnel with children — E-2s, E-3s, and E-4s — the same service men and women who are feeling the strain of frequent deployments overseas and struggling to live within their means,” he said.

“Advocates of this change in EITC payments say that the families will eventually receive their money,” Spratt continued. “But they overlook the fact that EITC families typically use this lump sum payment for cutting down credit card debt, fixing the car, or buying a new appliance.

Getting a twelfth of the payment each month may help with groceries, but it makes paying for big ticket items much harder.

“This is a callous proposal,” said Spratt, “and it will pose a hardship to families on tight budgets, including some 125,000 military families.”

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